

commend the Members of the Committee on both sides of the aisle for their cooperation in this regard.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

H.R. 1088, THE INVESTOR AND CAPITAL MARKETS RELIEF ACT OF 2001

Mr. DASCHLE. Mr. President, many of our colleagues have indicated their strong support for H.R. 1088, the Investor and Capital Markets Fee Relief Act. I share the belief that the Senate should take action on this critical legislation promptly.

A number of Senate leaders on securities matters have noted the importance of this bill, including the senior Senator from New York, Mr. SCHUMER, Chairman of the Banking Committee, Mr. SARBANES, the Chairman of the Securities Subcommittee, Senator DODD, the Assistant Majority Leader, Senator REID, and many others.

I want to take this opportunity to update the Senate on the status of H.R. 1088. The Senate approved the bill unanimously in March. After good-faith negotiations between both bodies, the House then approved an amended bill, which included agreed-upon improvements by an overwhelming bipartisan vote of 404 to 22. It is now pending on the Senate calendar.

This legislation is long overdue. The Securities Exchange Commission now collects fees from the investing public that are six times higher than needed to cover the costs of operating the Commission. Fee reductions can free up new investment capital that can help spur the economy at a time when it needs a boost.

Equally important are provisions in the bill that provide the Commission staff pay parity with other Federal financial regulators, which can help the agency stem turnover and retain quality staff. Investors in our securities markets deserve the best quality regulators to protect them, and those fine public servants deserve proper compensation.

This legislation should have been approved last year. It was unfortunate that, in the last Congress, even though the bill was approved by committees in both the House and Senate, it was never considered on the floor of either body. Efforts by many Senators to move the bill in the waning days of the last Congress were stymied.

Under new leadership, the Senate will soon have an opportunity to make amends for that lapse by finalizing this legislation. When Congress returns from its August work period, I will continue working with my colleagues to ensure enactment of this key measure.

Mr. SARBANES. Mr. President, I am pleased that the Majority Leader will work to ensure enactment of the SEC pay parity and fee reduction legislation when Congress returns from the August recess. Passage of H.R. 1088 is very important to the staff of the Securities and Exchange Commission as well as to the many segments of the securities industry.

This bill enjoys wide bipartisan support in the Senate. The Senate version of the bill, S. 143, The Competitive Market Supervision Act of 2001, was passed by the Banking Committee on March 1 by voice vote. It was passed by the full Senate on March 22, by unanimous consent.

I want to focus on the importance of the bill's pay parity provisions. These would authorize the Commission to pay its employees on a par with the other Federal financial regulators. Our securities markets are the envy of the world. It is important that the regulator of those markets be in a favorable position to attract and retain qualified employees. Enacting pay parity contributes towards this goal and will result in enhanced supervision of the securities markets.

Mr. SCHUMER. Mr. President, I thank my good friend, the Majority Leader, Mr. DASCHLE, and the Chairman of the Banking Committee, Mr. SARBANES, for their commitment to this important piece of legislation, H.R. 1088, of which I am the chief Democratic sponsor. This bill is of tremendous importance to New York.

As the Senator from South Dakota, Mr. DASCHLE, has indicated, this legislation would reduce transaction fees paid by investors to fund the ongoing activities of the SEC. Such fee reductions will be of substantial benefit to investors, businesses and individual investors, alike. The bill also gives pay parity for employees at the SEC so that the SEC may attract and retain highly qualified regulators to ensure the integrity of our markets.

As my colleague knows, H.R. 1088, as passed by the House, incorporated the Senate position reflected in S. 143, which was approved by this Senate under unanimous consent in March. There will be no conference on the bill and we have assurances the President will sign it. All that is left is for the Senate to act, and I urge that we do so as expeditiously as possible upon our return from the August recess.

I also thank the distinguished Assistant Majority Leader, the Senator from Nevada, Mr. REID, for his commitment to moving this critical legislation.

Mr. REID. I thank my friend, the Senator from New York, Mr. SCHUMER, for his unwavering leadership on this bill. I couldn't agree more that this bill is very important to investors. It is unfortunate that we have not been able to act on this bill before the August recess, but this should not be interpreted

as anything other than a difficulty with timing.

As my friend knows, I support this legislation. I think it is a good bill and I look forward to getting it to the floor. As the Majority Leader has indicated, although there will be a number of important measures competing for floor time this fall, including appropriations bills, it is our intention to bring this bill before the Senate.

I am hopeful our friends in the minority will extend to us the necessary cooperation to complete action on this matter. I look forward to working with the Senator from New York and our colleagues to pass this important legislation.

Mr. DODD. Mr. President, I would like to add my support for the passage of H.R. 1088, the Investor and Capital Markets Relief Act. As many of my colleagues have noted, this legislation is the result of bipartisan cooperation in both the Senate and the House.

We have worked closely to craft legislation that I believe will have important benefits for both retail and institutional investors, the securities industry and the Securities and Exchange Commission.

I would specifically like to recognize the Chairman and Ranking Members of the Banking Committee for their efforts on this bill, especially with regard to ensuring pay parity for employees of the SEC. The inclusion of this vital component will help to maintain the high level of competency we currently enjoy at the SEC.

I would also like to thank the Majority Leader and the Assistant Majority Leader for their commitment to the timely consideration of this legislation. It is my hope that when we return from the August work period, we can consider this legislation in a prompt fashion.

THE RETIREMENT OF REAR ADMIRAL LARRY BAUCOM, USN

Mr. THURMOND. Mr. President, I rise today to recognize an outstanding naval officer and public servant, Rear Admiral Larry C. Baucom, U.S. Navy, as he completes more than 30 years of active duty with the U.S. Navy. Whether as a midshipman at the U.S. Naval Academy, as the commanding officer of a fighter squadron, as the commander of a nuclear-powered aircraft carrier, or, most recently, as the Director of the Navy's Environmental Protection, Safety and Occupational Health Division, he tirelessly worked to serve America and our Navy and Marine Corps. It is a privilege for me to honor his many outstanding achievements and service to our great Nation and our service men and women.

Rear Admiral Baucom is a son of Columbia, SC. A 1970 Naval Academy graduate, he was awarded his Naval Flight Officer wings in 1971. During his